

To the Church Board: March 12, 2011

In an effort to be open and candid with the congregation at large and to present as much information as is available, I and those working with me on the church budget need to share with you that the financial health of our Church is not as good as it should be. Simply put, our church is facing difficult financial times.

With this understanding, a quick and simple overview for 2010 is as follows:

General Account Donations: \$348,274	Expenses: \$359,913	Shortfall: \$11,639
Building Fund: Donations: \$178,528	Expenses: \$270,687	Shortfall: \$92,159

Building Fund Summation:

At the current time, we are not able to meet our monthly obligations utilizing only monthly member contributions. Since securing the initial loan with which to build the church, 2010 was the first time that we had to dip into the "Reserve" fund to pay our bills. In 2010 we needed \$10,000 from Reserves to pay our December mortgage payment. Thus far in 2011, we have taken \$2,000 and \$6,500 out of Reserves to pay our February and March mortgage payments, respectively.

General Fund Summation:

In January 1, 2010 we had a General Fund Reserve of \$61,830.18; as of end of February 2011, we have \$43,330.00 in our Reserve account.

Members of the Stewardship and Finance Committee are looking at ways to deal with the cash flow/General Account/Building Fund shortage on a long term basis and we hope to have some information and a plan for you soon. Possibly/Probably related to the financial issues we face are two other issues of which the Board needs to be aware:

(1) The Sunday attendance in our church has fallen for the first time. We have kept extensive records of attendance since our church began in 1996. We have always been a church that has seen steady, though sometimes slow, growth as a church. From September 2007, when we moved into current facility, we have added approximately 125 new members. Despite these additions, from 2009 through 2010, our attendance fell from an average of 216 people per service to just under 200 people per service.

(2) Further, our church giving has also declined for the first time. Despite the increase in membership (referenced above), our giving to the General Fund declined from \$355,000 to \$348,000 from 2009 to 2010. From 2008 through 2010, we have lost members or have members who are no longer donating to the church. The loss of contributions from these (now) inactive members amounts to \$167,000 (General Fund and Building Fund).

Not all is gloom and doom. Our new building has presented opportunities for missions and work in the community that we have never been able to provide before. Our church building is heavily utilized by us and by groups in the community. Drive by the church, day or night, and there are cars in the parking lot. There are AA groups, a Dulcimer group, a Bridge group, a Travel group, DFCS meetings, Bible Study groups, and committee meetings to name a few. We stepped out in Faith and we must continue to go forward in Faith. We cling to the knowledge that our future is bright. We will work our way through this.

Byron Wyndham, Treasurer

Date : 03/08

Time : 2:57:

Cherry Log Christian Church
Analysis of Revenues & Expenses - Summary
February 2011

Accounts	MTD Actual (This Year)	MTD Budget (This Year)	MTD Budget Remaining (This Year)	YTD Actual (This Year)	YTD Budget (This Year)	YTD Budget Remaining (This Year)
Revenues						
Tithes & Offerings	\$34,213.48	\$32,039.50	(\$2,173.98)	\$66,202.24	\$64,079.00	(\$2,123.24)
Building Fund	\$15,415.00	\$21,966.00	\$6,551.00	\$25,125.57	\$43,932.00	\$18,806.43
Total Revenues	\$49,628.48	\$54,005.50	\$4,377.02	\$91,327.81	\$108,011.00	\$16,683.19
Expenses						
Outreach	\$4,925.00	\$1,554.17	(\$3,370.83)	\$5,675.00	\$3,108.34	(\$2,566.66)
Deacon	\$0.00	\$8.33	\$8.33	\$0.00	\$16.66	\$16.66
Education	\$0.00	\$500.00	\$500.00	\$58.88	\$1,000.00	\$941.12
Elders	\$0.00	\$12.50	\$12.50	\$50.18	\$25.00	(\$25.18)
Evangelism	\$386.30	\$925.00	\$538.70	\$818.38	\$1,850.00	\$1,031.62
Finance	\$0.00	\$100.00	\$100.00	\$0.00	\$200.00	\$200.00
Membership	\$0.00	\$333.33	\$333.33	\$457.10	\$666.66	\$209.56
Property Maintenance	\$3,226.43	\$2,666.67	(\$559.76)	\$4,198.65	\$5,333.34	\$1,134.69
Technology	\$288.00	\$152.08	(\$135.92)	\$288.00	\$304.16	\$16.16
Worship	\$874.42	\$736.00	(\$138.42)	\$897.51	\$1,472.00	\$574.49
Pastoral Relations	\$0.00	\$8.33	\$8.33	\$0.00	\$16.66	\$16.66
Non Committee						
Tithe	\$6,403.00	\$3,200.17	(\$3,202.83)	\$6,403.00	\$6,400.34	(\$2.66)
Dues & Subscriptions	\$0.00	\$16.67	\$16.67	\$0.00	\$33.34	\$33.34
Insurance - Property	\$1,677.25	\$666.67	(\$1,010.58)	\$1,677.25	\$1,333.34	(\$343.91)
Ministers Expenses	\$422.99	\$766.67	\$343.68	\$770.86	\$1,533.34	\$762.48
Office Expenses	\$1,692.11	\$1,083.33	(\$608.78)	\$2,425.93	\$2,166.66	(\$259.27)
Postage	\$56.04	\$125.00	\$68.96	\$241.04	\$250.00	\$8.96
DOC Assemblies	\$0.00	\$66.67	\$66.67	\$0.00	\$133.34	\$133.34
Salaries	\$15,941.76	\$16,119.58	\$177.82	\$31,276.19	\$32,239.16	\$962.97
Utilities	\$8,737.48	\$2,998.33	(\$5,739.15)	\$9,333.90	\$5,996.66	(\$3,337.24)
Total Non Committee	\$34,930.63	\$25,043.09	(\$9,887.54)	\$52,128.17	\$50,086.18	(\$2,041.99)
Building Expense	\$21,966.00	\$21,966.00	\$0.00	\$43,932.00	\$43,932.00	\$0.00
Non Budget Expense	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Starr Ministry	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Stephen Ministries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses	\$66,596.78	\$54,005.50	(\$12,591.28)	\$108,503.87	\$108,011.00	(\$492.87)
Net Total	(\$16,968.30)	\$0.00	\$16,968.30	(\$17,176.06)	\$0.00	\$17,176.06

Cherry Log Christian Church
 Statement of Financial Position
 February 2011

Accounts

Assets		
Current Assets		
1-1000 - General Checking	\$0.66	
1-1100 - General Checking BBR	\$24,417.01	
1-1110 - Designated Checking BBR	\$108,891.66	
2-1000 - Building Checking	\$24,022.33	
3-1000 - Reserve Checking	\$43,330.18	
4-1000 - Church Extension	\$50,981.79	
5-1000 - Mountain Top Lectures	\$11,492.88	
Total Current Assets		\$263,136.51
Fixed Assets		
1-1200 - CLCC	\$2,937,000.00	
1-1210 - Church on Hill	\$600,000.00	
1-1220 - Cabin on Hill	\$84,000.00	
1-1230 - Craddock Center Property	\$500,000.00	
1-1240 - Furnishings	\$85,000.00	
1-1250 - Sound System	\$60,000.00	
Total Fixed Assets		\$4,266,000.00
Total Assets		\$4,529,136.51
Liabilities & Net Assets		
Liabilities		
Loan Principal Payments		
2-2000 - CLCC Mortgage	\$2,419,983.38	
2-2010 - Church on Hill Mortgage	\$578,825.24	
Total Loan Principal Payments		\$2,998,808.62
Payroll Withholdings		
1-2100 - Payroll Taxes	(\$0.02)	
1-2110 - Medical Insurance Withheld	\$372.16	
Taxes Payable		
1-2101 - Federal Taxes	\$621.50	
1-2102 - Fica Taxes	\$1,044.13	
1-2104 - Medicare	\$291.36	
1-2106 - State Taxes	\$332.61	
Total Taxes Payable	\$2,289.60	
Total Payroll Withholdings		\$2,661.74
Total Liabilities		\$3,001,470.36
Net Assets		
Unrestricted		
1-2999 - Fund Principal - General	\$664,779.11	
2-2999 - Fund Principal - Building	\$706,001.93	
3-2999 - Fund Principles Reserve	\$53,330.18	
Unrestricted This Year	(\$17,176.06)	
Total Unrestricted	\$1,406,935.16	
Temporarily Restricted	\$120,730.99	
Permanently Restricted	\$0.00	
Total Net Assets		\$1,527,666.15
Total Liabilities & Net Assets		\$4,529,136.51